25 YEAR RE-REVIE Approved For Release 2008/12/31 : CIA-RDP79S01011A001000090003-7

SECRET
SECURITY INFORMATION

RECORD COPY

SPECIAL ESTIMATE

PROBABLE EFFECT OF RECENT DEVELOPMENTS IN EASTERN GERMANY ON SOVIET POLICY WITH RESPECT TO GERMANY

SE-47
Approved 21 July 1953
Published 24 July 1953

The Intelligence Advisory Committee concurred in this estimate on 21 July 1953. The FBI abstained, the subject being outside of its jurisdiction.

The following member organizations of the Intelligence Advisory Committee participated with the Central Intelligence Agency in the preparation of this estimate: The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff.

CENTRAL INTELLIGENCE AGENCY

25X1

Approved For Release 2008/12/31 : CIA-RDP79S01011A001000090003-7

Approved For Release 2008/12/31 : CIA-RDP79S01011A001000090003-7

DISSEMINATION NOTICE

1. This copy of this publication is for the information and use of the recipient designated on the front cover and of individuals under the jurisdiction of the recipient's office who require the information for the performance of their official duties. Further dissemination elsewhere in the department to other offices which require the information for the performance of official duties may be authorized by the following:

   a. Special Assistant to the Secretary for Intelligence, for the Department of State

   b. Assistant Chief of Staff, G–2, for the Department of the Army

   c. Director of Naval Intelligence, for the Department of the Navy

   d. Director of Intelligence, USAF, for the Department of the Air Force

   e. Deputy Director for Intelligence, Joint Staff, for the Joint Staff

   f. Director of Intelligence, AEC, for the Atomic Energy Commission

   g. Assistant to the Director, FBI, for the Federal Bureau of Investigation

   h. Assistant Director for Collection and Dissemination, CIA, for any other Department or Agency

2. This copy may be either retained or destroyed by burning in accordance with applicable security regulations, or returned to the Central Intelligence Agency by arrangement with the Office of Collection and Dissemination, CIA.

25X1

25X1

Approved For Release 2008/12/31 : CIA-RDP79S01011A001000090003-7

Approved For Release 2008/12/31 : CIA-RDP79S01011A001000090003-7

PROBABLE EFFECT OF RECENT DEVELOPMENTS IN EASTERN GERMANY ON SOVIET POLICY WITH RESPECT TO GERMANY

THE PROBLEM

To estimate the probable effect of recent developments in Eastern Germany on Soviet policy with respect to Germany.

ESTIMATE

RECENT DEVELOPMENTS IN EAST GERMANY

1. *The Recent Communist Reforms in East Germany.* In late May 1953 the USSR appointed a civilian to the post of High Commissioner of the Eastern zone of Germany, thereby implying a deëmphasis of Soviet military control over that area. On 10 June the Communist authorities in East Germany proposed a series of measures involving major modifications and, in some cases, even reversals of past Communist programs. The government subsequently announced that it would halt the collective farm program at its present level; restore confiscated property and full civil rights to East German refugees who returned; make state bank credits available to private businessmen; provide a general amnesty for prisoners guilty of minor economic offenses; and issue ration cards to some 250,000 East Germans who had recently been deprived of them. On the same day the East German Government and Protestant Church leaders jointly announced that they had resolved most of their outstanding conflicts.

2. Soviet recognition that the accelerated pace of East German satellization had produced serious popular dissatisfaction almost certainly was a factor in bringing about the adoption of these measures. Though the Communists realized that these measures would retard their basic program of communization, they may have felt that the establishment of substantial armed forces and the rapid pace of industrialization were causing dangerous strains in the East German economy. It is also likely that they expected to encourage West German belief that early unification is feasible. They may have hoped thus to obstruct West German rearming and integration with Western Europe and to help bring about the defeat of Adenauer in the forthcoming West German elections.

3. *The Disorders in Mid-June.* A small demonstration took place in East Berlin on 16 June and expanded on the following day into strikes and riots there and throughout the Soviet zone. The Soviet authorities declared martial law and proceeded to put down the disorders, relying almost exclusively on the use of Soviet troops. The USSR began to withdraw these troops on 24 June, when order was apparently restored. However, there are reports of continuing outbreaks, and some Soviet troops remain in the affected areas.

4. At this time the full significance of these disorders is difficult to assess. At least:

Approved For Release 2008/12/31 : CIA-RDP79S01011A001000090003-7

Approved For Release 2008/12/31 : CIA-RDP79S01011A001000090003-7

a. The disorders demonstrated the intensity of East German resentment against the regime and the willingness of the East German people to undertake active resistance despite the extended period of Communist control.

b. The extent of the disorders appears to have been wholly unexpected by the East German authorities. The decision to employ primarily Soviet forces to quell the disorders indicated Soviet distrust of the East German police, military, and security forces.

c. The disorders themselves, and the fact that Soviet troops were required to maintain the authority of the East German Government, have further discredited that government in the eyes of the East German people. More significantly, the government has lost standing with the Soviet leadership.

d. The disorders have probably convinced the USSR that Soviet control over East Germany can be assured only by maintaining Soviet troops in the area.

e. The disorders have further encouraged German hopes for unification and considerably increased West German demands on the Adenauer government for greater readiness to explore possibilities for unification even at the expense of progress toward rearmament and European integration.

f. A workers' revolt against the authorities of a "workers state" is in itself a setback for worldwide Communist propaganda.

THE EFFECTS OF THESE DEVELOPMENTS ON SOVIET POLICY IN EAST GERMANY

5. The riots have not so far resulted in a reversal of the June concessions. In fact, the Communist authorities in East Germany have not only announced that these measures will be carried through, but that they will be amplified. For example, a decrease has been promised in the allocation of resources to heavy industry and the East German army (KVP) in favor of an increased supply of food and consumer goods. We believe that the Communists will attempt to implement these economic concessions within their economic capabilities. We estimate, however, that they are unlikely to carry out any economic or other measures that would endanger their control over East Germany. 25X1

6. We believe that within the next several months the Soviet authorities will probably reconstitute the East German Government and purge the East German Communist Party (SED). Although the USSR would achieve a propaganda advantage in both East and West Germany by including more non-Communist representatives in the East German Government, there are few, if any, political leaders left in East Germany who are not well-known Communist collaborators. Hence, we believe that the USSR will build a new East German Government around a purged SED. Non-SED parties may be encouraged to take a more independent line, to assume some superficial aspects of a "loyal opposition," and to attempt to develop ties with West German political parties.

7. In restoring order and maintaining control over East Germany the Soviets are faced by a dilemma. Additional concessions and admissions of error may convince the people in East Germany and in other parts of the Soviet Bloc that their plight can be relieved by active resistance. If, on the other hand, the Kremlin withdraws all concessions and exacts submission by a regime of force and terror, it must reverse its newly adopted "soft" policy and jeopardize its chance to influence West Germans. We believe that the Kremlin will probably attempt to continue this "soft" policy in East Germany, although it will employ force as necessary to maintain order.

SOVIET APPROACH TO GERMAN UNIFICATION

8. The Soviet approach to German unification will be determined within a larger framework than that of recent developments in East Germany alone. However, the USSR will not ignore the renewed upsurge of unification sentiment which has appeared in both East and West Germany. The USSR will

25X1

Approved For Release 2008/12/31 : CIA-RDP79S01011A001000090003-7

Approved For Release 2008/12/31 : CIA-RDP79S01011A001000090003-7

probably agree to a Four Power conference, though not necessarily to the proposals contained in the Western notes of 15 July. It will probably regard such a conference as an appropriate forum in which to exploit the unification sentiment in Germany in an effort to delay West German rearmament and integration with the West. In such a meeting the USSR might propose several plausible but unacceptable schemes of German unification, involving, for example, various methods of holding "free" elections which would not in fact be free, or a German unification on the Austrian pattern, with continued military occupation. The USSR might even advance proposals unsatisfactory to itself, but which it would expect the Western Powers to reject, hoping to derive propaganda advantages from the fact of Western rejection. Despite these and other possibilities, the USSR would probably consider that the basic alternatives before it in such a negotiation reduce to two:

a. To agree to the creation of a unified and neutral Germany on the basis of free elections and the withdrawal of all foreign troops from Germany, which would mean the relinquishment of Soviet control in East Germany; or

b. To negotiate for unification, but with no intention of agreeing to any solution that would involve the relinquishment of Soviet control over East Germany.

9. We estimate that the USSR is unlikely to adopt the first alternative.[2] However, recent developments in the Soviet Union and elsewhere in the Bloc suggest the possibility of some change in Soviet policy. The Kremlin might come to the conclusion that a solution of the German problem could no longer be postponed, and yet could not be achieved without losing control of East Germany. It might even see some compensating advantages in the first alternative. For instance, an agreement on a unified, neutralized Germany would eliminate the potential German contribution to Western military strength. In addition, the USSR might estimate that such an agreement would relax present East-West tension and thus abort the Western impetus for rearmament and weaken the cohesion of the NATO Powers. Moreover, the USSR might believe that if Western troops were withdrawn from West Germany, the stationing of US troops elsewhere in Western Europe would create dissension between the US and its allies.

10. We believe that the second of these alternatives is far more likely. So long as Soviet troops occupy East Germany, the USSR will retain a valuable base for either offensive or defensive military operations and for attempts to intimidate the West. So long as the Kremlin retains control over East Germany, it remains in a position to use East Germany as a lever in negotiations with the West and to prevent any unification of Germany which would prejudice its ultimate objectives in Germany. East Germany has great economic and technological importance for the Soviet Bloc. The Kremlin almost certainly fears that a united Germany would eventually rearm and turn against the USSR. It is, therefore, unlikely that the Kremlin will surrender the great advantages which it derives from its control over East Germany in return for the establishment of a united and neutral Germany which it might hope, at best, eventually to subvert. Furthermore, the Kremlin probably estimates that weakening or relinquishing its control over East Germany would have adverse political and psychological effects on the remainder of the Soviet Bloc. In conclusion, therefore, as indicated in NIE–81,[3] we believe it unlikely that the USSR will agree to any solution of the German problem that involves the surrender of Soviet control over East Germany.

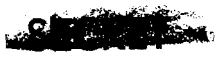
25X1

25X1

[2] The Deputy Director for Intelligence, The Joint Staff, believes that the first alternative is more likely.

Approved For Release 2008/12/31 : CIA-RDP79S01011A001000090003-7

Approved For Release 2008/12/31 : CIA-RDP79S01011A001000090003-7



Approved For Release 2008/12/31 : CIA-RDP79S01011A001000090003-7